

Message Text

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46

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 L-02 H-02 AGR-05 SAM-01 IO-10 DODE-00 PA-01

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R 010945Z APR 75

FM AMCONSUL LUANDA

TO SECSTATE WASHDC 3377

INFO AMEMBASSY LISBON

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E.O. 11652: N/A

TAGS: EFIN AO

SUBJECT: DIFERRING POSITIONS ON BANK NATIONALIZATION DIVIDE

ANGOLAN LIBERATION GROUPS

1. EACH OF ANGOLA'S THREE LIBERATION GROUPS HAVE TAKEN A POSITION ON THE FUTURE OWNERSHIP OF THE COUNTRY'S PRIVATELY OWNED BANKS. THE ONLY GROUP NOT YET HAVING MADE A PUBLIC STATEMENT IS FNLA, WHICH IS REPORTEDLY ASSURING THE BANKS' PRE-NATIONALIZATION OWNERS PRIVATELY THAT THEY ARE STILL THE RIGHTFUL OWNERS AND THAT FNLA OPPOSES ANGOLAN GOVERNMENT OWNERSHIP OF PRIVATE BANKS HERE. BY CONTRAST MPLA OFFICIALS HAVE TOLD BANK WORKERS UNION OFFICIALS THAT THEY FAVOR ULTIMATE TRANSFER OF PORTUGAL'S OWNERSHIP OF ANGOLAN BANKS TO THE ANGOLAN GOVERNMENT. IN ADDITION, MPLA (CARLOS ROCHA) HAS PUBLICLY HAILED PORTUGAL'S ACT AS HAVING "ENORMOUS ADVANTAGES FOR ANGOLA."

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2. UNITA'S POSITION IS CONTAINED IN A MARCH 25 STATEMENT BY JONAS SAVIMBI WHICH READS IN PART:

"WE ARE NOT IN AGREEMENT WITH THE NATIONALIZATIONS. UNFORTUNATELY OUR ECONOMY WILL SUFFER BECAUSE IT HAS ITS ROOTS IN PORTUGAL. THE PROGNOSIS IS NOT GOOD. WE WISH TO TAKE AN UNEQUIVOCAL STAND; UNITA DOES NOT SUPPORT THE NATIONALIZATION BECAUSE IN ADDITION TO CREATING STAGNATION IN OUR ECONOMY... IT CREATES FEAR ON THE PART OF INVESTORS, ENCOURAGES AND FACILITATES CAPITAL FLIGHT. NO UNDERDEVELOPED COUNTRY, SUCH AS OURS, CAN BEGIN (ITS DEVELOPMENT) WITHOUT REPEATING THE EXPERIENCE OF OTHER COUNTRIES WHO IMPORTED THEIR TECHNOLOGY. IT WOULD BE BETTER TO ENCOURAGE THE TRANSITION GOVERNMENT TO ACCELERATE THE PROCESS OF RECOVERING ALL OUR ASSETS STILL IN THE HANDS OF THE PORTUGUESE...WE DIDN'T WANT TO SUFFER THE CONSEQUENCES OF A POLICY THAT I KNOW WILL NOT SERVE OUR COUNTRY."

3. BANKING SOURCES EXPECT A CONFRONTATION AND RESULTING DEADLOCK IN THE NEGOTIATIONS WHICH BEGAN HERE MARCH 28 BETWEEN THE TRANSITIONAL GOVERNMENT AND PORTUGUESE REPRESENTATIVES. THE OLD OWNERS APPEAR TO BE ENCOURAGING FNLA AND UNITA TO MAKE THE CONFRONTATION AS SHARP AS POSSIBLE ON THE THEORY THAT THEY STAND A GOOD CHANCE TO WIN IF THE MATTER CAN BE BROUGHT TO A BOIL. ACTING AGAINST THAT STRATEGY, HOWEVER, IS THE RELATIVELY LOW PRIORITY PRESENTLY ASSIGNED THE MATTER BY LIBERATION GROUP LEADERSHIP IN VIEW OF THE RECENT SERIES OF MILITARY CLASHES BETWEEN FNLA AND MPLA.

4. THE BANKING SYSTEM CONTINUES TO FUNCTION HERE. BANKS EACH HAVE TWO OR THREE ON-SITE "INSPECTORS" WHO REPORT TO THE TECHNICAL DIRECTOR OF THE CREDIT AND INSURANCE SUPERINTENDENCY AND THROUGH HIM TO MPLA MINISTER OF FINANCE, SAYDI MINGAS. DECISIONS ON CREDIT EXTENSIONS BY FOREIGN BANKS HAVE BEEN COMPLETELY SUSPENDED, AT LEAST UNTIL THE SITUATION IS CLARIFIED. ONE LOCAL BANK HEAD (PINTO E SOTTO MAYOR) SAYS HE HAS BEEN INUNDATED WITH REQUESTS FOR INFORMATION BY FOREIGN BANKS, REQUESTS WHICH HE IS NOT ANSWERING "BECAUSE I DON'T KNOW ANYTHING YET MYSELF." ANTONIO ESPIRITO SANTO (THE FAMILY'S MAN IN ANGOLA) HAS REQUESTED AND RECEIVED BODYGUARDS FROM UNITA. THE BODYGUARDS HAVE ORDERS NOT TO RESIST A PORTUGUESE ATTEMPT TO ARREST HIM, HOWEVER. INSTEAD UNITA HAS PROMISED ONLY "TO PROTEST LIMITED OFFICIAL USE

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FORCEFULLY" IF HE IS ARRESTED.
KILLORAN

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NNN

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